

Message Text

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ORIGIN COME-00

INFO OCT-01 NEA-10 ISO-00 EB-07 /018 R

DRAFTED BY USDOC/CAGNE:Gbeck/NEA/ARN:MHMAUGHAN:PDW

APPROVED BY NEA/ARN:MDRAPER

NEA/RA:COL. HOBBS (DRAFT)

----- 061993

R 121914Z FEB 76

FM SECSTATE WASHDC

TO AMEMBASSY DAMASCUS

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E.O. 11652: N/A

TAGS: BEXP, SY

SUBJECT: LARGE U.S. OFFER FOR TIPPERS AND HEAVY-DUTY

TRUCKS

1. GENE H. WILLIAMS, PRESIDENT OF WILLIAMS-KILPATRICK CHEVROLET, 10003 S. SHIELDS, MOORE, OKLAHOMA ACCOMPANIED BY HIS LAWYER AND J. M. BARRY, REGIONAL FLEET ACCOUNT EXECUTIVE, GENERAL MOTORS SOUTHWEST DIVISION, OKLAHOMA CITY, CALLED ON THE DEPARTMENTS OF STATE AND COMMERCE JANUARY 28 TO INQUIRE ABOUT THE PROSPECTS FOR THEIR FEBRUARY 1975 BID ON 1,000 TIPPERS (DUMP TRUCKS) AND 900 HEAVY DUTY TRUCKS AGAINST SYRIAN ANNOUNCEMENTS 581/S AND 582/S. ACCORDING TO WILLIAMS, THIS TRANSACTION WOULD AMOUNT TO ABOUT \$150 MILLION.

2. THE COMPANY UNDERSTANDS THAT ALTHOUGH 54 OFFERS HAVE BEEN RECEIVED FROM 24 COMPANIES, INCLUDING OFFERS FROM FIAT AND VOLVO, THEIR BID IS THE LOWEST.

3. THE COMPANY'S NEGOTIATIONS HAVE BEEN HANDLED BY B.S. BEDI, AN INDIAN SIKH WHO VISITED THE COMPANY'S HEADQUARTERS LAST YEAR. THE COMPANY OFFICIALS HAVE BEEN TO SYRIA

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SEVERAL TIMES BUT DID NOT TOUCH BASE WITH THE EMBASSY ON

THE ADVICE OF THEIR SYRIAN LAWYER. THEY HAVE RESPONDED

PROMPTLY AND FULLY TO SOME SIX SARG REQUESTS FOR MODIFICATION OF THEIR ORIGINAL OFFER. RECENTLY, THEY RENEWED THEIR OFFER THROUGH DECEMBER 31 AND THEY HAVE NOW RECEIVED A REQUEST TO MAKE A FURTHER INDEFINITE EXTENSION. DURING THEIR LAST TRIP, THE COMPANY OFFICIALS ALSO WERE CONTACTED BY ARMY GENERAL SABBAGH WHO SUGGESTED THEY MAKE AN OVERALL WRITTEN PRESENTATION FOR SALE OF ANOTHER BATCH OF TRUCKS TO SYRIAN ARMY. GM MADE PRESENTATION BUT HAS HEARD NO FURTHER ON THIS PROSPECT. DEPTOFF POINTED OUT PROBLEMS WITH SALES TO SARG MILITARY, AND GM REPS SAID THEY WOULD KEEP US INFORMED OF ANY RESPONSE TO THEIR PRESENTATION.

4. THE GM TECHNICIAN, BARRY, STATED THAT GM HAS NOT BEEN COMPETITIVE IN SOME MAJOR TRUCK BIDS IN NEAR EASTERN COUNTRIES AS THE COMPANY RELIES ON THE STRENGTH OF THE LOCAL DEALER. IN THIS CASE HE ASSERTED THAT GM IS LENDING FULL SUPPORT TO THIS OFFER AND IS MAKING AN UNUSUAL WARRANTY AS WELL AS PARTS ARRANGEMENTS IN A BID TO PENETRATE THE SYRIAN MARKET. WILLIAMS-KILPATRICK ARE PARTICULARLY ANXIOUS TO MOVE AHEAD ON THE TRANSACTION AT THIS TIME AS THE COMPANY NOW HAS AN OPPORTUNITY TO MAKE IMMEDIATE DELIVERY OF 375 TRUCKS, AS A LARGE SALE TO THE SUDAN, TO HAVE BEEN FINANCED BY ABU DHABI, HAS FALLEN THROUGH. THE AVAILABILITY OF THESE TRUCKS WOULD ENABLE THE COMPANY TO GAIN SIX MONTHS ON THE DELIVERY TIME OF THE FIRST BATCH OF TRUCKS IN THEIR OFFER.

5. THE COMPANY IS CONFIDENT THAT IT HAS WORKED OUT SUITABLE PERFORMANCE GUARANTEES WITH THE HELP OF THE FIRST NATIONAL BANK OF DALLAS WHICH IS SAID TO BE SUPPORTING THIS TRANSACTION STRONGLY.

6. COMPANY OFFICIALS REPORT THAT IF THEY RECEIVE THIS AWARD SHORTLY THEY WILL BE IN AN EXCELLENT POSITION TO PARTICIPATE IN THE DAMASCUS FAIR WITH AN INTERESTING EXHIBIT AS SOME TRUCKS ARE TO BE CONVERTED INTO MOBILE AUTOMOTIVE SERVICE STATIONS, WATER TANKERS, ETC.

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7. ACTION REQUESTED: PLEASE INVESTIGATE AND REPORT CURRENT STATUS OF THIS COMPETITIVE BID (581/S AND 582/S) AND, AT EMBASSY'S DISCRETION, MAKE ANY REPRESENTATIONS APPROPRIATE TO ADVANCE THIS IMPORTANT U.S. TRADE OPPORTUNITY. EMBASSY'S COMMENTS ALSO REQUESTED ON EFFICACY OF PRESENT AGENCY ARRANGEMENTS IN LIGHT OF PREVIOUS EMBASSY COMMENT (DAMASCUS 2679, NOVEMBER 1974). ALSO COMMENT ON WHETHER THIS TRANSACTION SHOULD BE TOUCHED ON IN SECRETARY

SIMON VISIT TO SYRIA. SISCO

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 12 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE034915
Document Source: CORE
Document Unique ID: 00
Drafter: GBECK/NEA/ARN:MHMAUGHAN:PDW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760054-1174
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760254/aaaabvac.tel
Line Count: 116
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUN 2004 by ellisoob>; APPROVED <01 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LARGE U.S. OFFER FOR TIPPERS AND HEAVY-DUTY TRUCKS
TAGS: BEXP, SY
To: DAMASCUS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006